

# THE CORPORATE'S SOCIAL RESPONSIBILITY AND GREEN INITIATIVES: A CASE STUDY OF THE SELECTED PUBLIC AND PRIVATE POWER SUPPLY COMPANIES IN RAJASTHAN

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## ABSTRACT

*In almost all the countries the governments have passed various laws making it mandatory for industries small or big to contribute towards the protection of environment by reducing pollution level, be it, air, water and sound. Besides, the government on their own have initiative the majors to clean the air and water from pollutants in order to provide safe environment to future generation. The current study takes a critical look at corporate social responsibility and green initiatives on power companies. Power companies has been selected as a case study because they are traditionally known for polluting the environment by their waste that is produced during power generation. Most of the power companies use coal as thermal energy in producing power. However, a sense of green responsibility is also seen in these power companies today.*

*The research aims at understanding how the power companies both in public and private sector practiced green initiatives and keep up their corporate social responsibility in supplying green energy to the millions of consumers.*

## FINDINGS

*The companies selected for the purpose of this study have contributed immensely towards environment protection by having remarkably higher level of green management initiatives. These efforts are in-line with national policy of environment protection, thereby supporting the initiatives taken by the Government of India.*

**KEYWORDS:** Corporate Social Responsibility, Green Initiatives, Green GRM & Green Marketing

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## INTRODUCTION

Every nation in the world, every entrepreneur, every single individual human has an avowed responsibility of protecting the environment not only for the current generation, but for the future generation to come. Globally, there is a growing consciousness among the developed, developing and the underdeveloped nation about the grotesque effect of pollution on mother earth. In fact annually the 'Earth Day' is celebrated throughout the world with the aim of saving energy, in doing so there is a huge contribution to protect pollution by energy companies.

In almost all the countries, governments have passed various laws making it mandatory for industries, small or big to contribute towards the protection of the environment by reducing the pollution level, be it, air, water and sound. Besides, the government on their own have initiative the majors to clean the air and water from pollutants in order to provide a safe environment for future generation. One such programs 'Sawach Bharat' is

launched all over India with the aim of getting rid the nation of pollutants in air and water. This campaign also aims at educating the masses about health and hygiene, particularly the rural and those who are below the poverty line with little knowledge and infrastructure. All these initiatives which have legal protection today are not only mandatory to the government institutions but are also compulsorily applicable to the industries.

Following the legislations which have been given legal status by the highest court of the land, industries, whether manufacturing, Information Technology (IT) base, Biotechnology (BT) based, and any other have taken up the responsibility voluntarily to protect the environment and to make an attempt to stop further degradation. Various initiatives like green marketing, green supply chain management and latest green human resource management have been adopted by the industries and institutions to provide green and clean product to the community in which they exist and are nurtured.

It is time that all these concepts are clearly understood. Green marketing in general refers to the process of producing and selling product and services which have environmental benefits to its consumers. Such products and services are environmentally friendly in its self or produced keeping in view the environmental benefits the products or services can provide. The key words in green marketing are producing products which are non-toxic, renewable, repairable and sustainable. Emphasizes also laid on recycling of many products which otherwise would have contributed to the environmental pollution. These initiatives are typically practiced by industries and institutions that are committed to sustainable development and evince keen interest in corporate social responsibility (CSR). It is hurting to know that more and more companies are making every effort to implement sustainable business practices. Besides, a number of studies have shown that the consumers are also aware of and prefer to purchase green products. On the other hand green practices help in reducing the expenses of the company and ultimately make the product more affordable to its consumers.

Another concept which has caught the imagination fad among the industries and institutions ensuring green supply chain. Green supply chain as a concept is a re-evaluation of the company's purchase, manufacturing, planning and managing of material from production to distribution and finally the sells with a view on green policies. Such initiatives helps not only in the improved environmental performances of the company but also lowers the cost of company's over heads by recycling the waste, better water resources management and reduced material cost.

Green supply chain initiatives also help to reduce the use of fossil fuel, optimized use of packed material (recycled material) and minimizing the cost of waste disposal. There are many large companies who use 'C plastic' in the production line to make newer products from the wastage that would be polluting the oceans and seas. In general what is the overall benefit a company derives from either green marketing or green supply chain, in the language of corporate, is the companies single most benefits- 'public image'. The community in general and consumers in particular recognize such companies as 'green companies'. This adds to the better reputation management and .....

The latest to add to these green initiatives is the concept of 'Green GRM'. The green human resource management is a term that refers to the promotion of sustainable employ practices with the help of every single individual employee of the concern. It aims to increase the awareness among the internal public on issues like sustainable development, clean environment practices, sustainable environment and so on. This is an integrated approach used by HR to promote the company's green policy among its employees. Organization, institution and industries resort to a series of training initiatives to inform, to educate and finally to empower its employee on the concept of green management which is both environment friendly and sustainable. The ultimate aim green HRM is to reduce employee's carbon footsteps by inculcating practices like to share transportation, use of electronic and virtual platforms, thereby reducing the usage of

papers, importance of recycling, online training programs and a host of other initiatives. The ideal mantra of green policy is the preservation and conservation of the natural environment in the precincts of the organization by the employees. Besides it also helps in minimizing pollution level within the organization.

### **Green Marketing Concept**

There are many definitions to describe what green marketing is and where since it came through. In a study, it was claimed that green marketing term was first used in a seminar based on 'Ecological Marketing' which was organized by American Marketing Association (AMA) in 1975.

After a few years the term came into importance. Late 1980s and early 1990s, studies came out on green marketing. Ken Pattie (1992) and Jacquelyn Ottman (1993) wrote a book on Green Marketing and described the term in three phases.

*Jacquelyn Ottman, author of "The New Rules of Green Marketing: Strategies, Tools, and Inspiration for Sustainable Branding" (2011) described in the book that an organization should take environmental considerations into all aspects of marketing, including new product development and communications and all points in between.*

Pride and Ferrell (1993) Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment.

*Prothero, A. & Fitchett, J. A. (2000) argue that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so.*

Studies have also presented a model for green marketing that contains four "P's-

- **Product:** A producer should offer ecological products which not only must not contaminate the environment, but should protect it and even liquidate existing environmental damages.
- **Price:** Prices for such products may be a little higher than conventional alternatives. But target groups like for example LOHAS are willing to pay extra for green products.
- **Place:** A distribution logistics is of crucial importance; main focus is on ecological packaging. Marketing local and seasonal products e. g. vegetables from regional farms is more easy to be marketed "green" than products imported.
- **Promotion:** A communication with the market should put stress on environmental aspects, for example, that the company possesses a CP certificate or is ISO 14000 certified. This may be publicized to improve a firm's image. Furthermore, the fact that a company spends expenditures on environmental protection should be advertised. Third, sponsoring the natural environment is also very important. And last but not least, ecological products will probably require special sales promotions.

### Why are Industries and Institution using Green Initiatives?

There are many possible reasons to cite industries and institutions increased use of Green Marketing, here are few of them-

- Organizations believe that they have a moral obligation to be more socially responsible [Davis, 1992; Freeman and Liedtka, 1991; Keller, 1987; McIntosh, 1990; Shearer, 1990;]
- Governmental bodies are forcing firms to become more responsible [NAAG, 1990;]
- Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives [Keller, 1987; Shearer, 1990].
- Competitors environmental activities pressurize firms to change their environmental marketing activities [NAAG, 1990;] and
- Cost factors associated with waste disposal or reductions in material usage forces firms to modify their behaviour [Ozone and Manzini, 1994;]

In general, green marketing is referred to as marketing of environment friendly products and services. Green marketing involves a number of different things like eco-friendly products, using eco-friendly packing, adopting sustainable business practices and focusing on marketing efforts that communicates a product's green benefit. It is generally felt that green products are more expensive, however, the benefits that they provide out way the expenses. A number of studies have shown that consumer prefers green products and are also ready to pay more for such products. A study of Green Marketing in Indian reveals that India has the first position in accepting green marketing, among the many countries of the world.

**Table 1: Countries Ranked According to their Response Level on Green Marketing**

Rank	Countries
1	India
2	UK
3	US
4	Thailand
5	Australia
6	Canada
7	China

*Source – Namex International Journal of Management Research*

A number of environment friendly methods are suggested to promote green initiatives that can be adopted by industries and institutes and organizations.

- Being manufactured in a sustainable fashion
- Not containing toxic materials or ozone-depleting substances
- Able to be recycled and/or is produced from recycled materials
- Being made from renewable materials (such as bamboo, etc.)
- Not making use of excessive packaging

- Being designed to be repairable and not "throw away"
- Green Marketing and Sustainable Development
- Using eco-friendly paper and inks for print marketing materials
- Skipping the printed materials altogether and opt for electronic marketing
- Having a recycling program and responsible waste disposal practices
- Using eco-friendly product packaging
- Using efficient packing and shipping methods
- Using eco-friendly power sources
- Taking steps to offset environmental impact
- "Green washing"

The methods suggested helps the industries to improve their marketing capability and capitalize on the growing number of green consumers by offering green products. In fact, most of the consumers fall into a category of LOHAS meaning lifestyle of health and sustainability. Wikipedia describes LOHAS as "an integrated, rapidly growing market for good and services that appeals consumers whose sense of environmental and social responsibility influences their purchase discussion."

## **METHODOLOGY**

The current study takes a critical look at corporate social responsibility and green initiatives on power companies. Power companies have been selected as a case study because they are traditionally known for polluting the environment by their waste that is produced during power generation. Most of the power companies use coal as thermal energy in producing power. However, a sense of green responsibility is also seen in these power companies today.

The research aims at understanding how the power companies both in public and private sector practiced green initiatives and keep up their corporate social responsibility in supplying green energy to the millions of consumers.

### **Study Objectives**

- To examine the green initiatives of the power production and supply companies
- To study the role of CSR in promoting green initiatives among all stakeholders

Keeping the objective in view a case study is of two power supply companies 'Rajasthan Renewable Energy Corporation Limited (RRECL) and Suzlon, is conducted to find out the green initiatives practices of the companies in Rajasthan. The data is collected through secondary sources, as reported in the websites on CRS and green initiatives of the two companies. Besides a telephonic survey was conducted with RRECL. An interview guide was mailed to the official concerned in Suzlon. The data was analyzed keeping in view the suggested processes of green initiatives in order to provide green products to its consumers.

## Findings

The detailed analyses based on the suggested processed of green initiatives are presented herewith.

### Public Company - Rajasthan Renewable Energy Corporation Limited (RRECL)

Rajasthan Renewable Energy Corporation Limited (RRECL) had been formed by merging erstwhile REDA (Rajasthan Energy Development Agency) and the Rajasthan State Power Corporation Ltd (RSPCL) in August 2002. The corporation is registered under Companies Act 1956.

RRECL, Department of Energy, Government of India holds a CSR policy which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large.

**Looking towards the objectives of the RRECL CSR Policy, they are very clear to its aim. They are-**

- Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- Directly or indirectly undertake projects or programmes or activities that benefit the communities and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace.
- Generate, through its CSR initiatives, community goodwill for RRECL and help reinforce a positive and socially responsible image as a corporate entity.

For achieving its CSR objectives through implementation of meaningful and sustainable CSR projects, programmes and activities, RRECL allocates at least 2% of its average net profits made during immediately preceding three financial years, as its Annual CSR Budget. From many objectives of RRECL, one which provides support for green initiatives of the company is chosen for the study. Their initiative-

*Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water.*

Green initiatives of RRECL-

- **Recycling-** According to the data collected recycling of waste like ash, gases and smoke that is emitted from the Kota Thermal Power Plant is treated first before being released outside. Specialized technology is used to ionize the particles that are emitted by the smoke before being released into the atmosphere, thereby reducing the carbon footprint. Besides ash that is a bi-product is treated carefully.
- **Plantation-** Power sector companies need large tracts of land not only to established power generation units but also for installing transition lines. Keeping the green initiatives in view RRECL has a remarkably robust green covering under its CSR activity. In the first instance, which is not arable is chosen for drawing transmission lines, thereby avoiding degradation of forests. Whenever large tracts of forest are lost, conscious efforts are made to replant thereby replenishing the lost green cover.
- **Conservation of Natural Resources-** This is a specialized program wherein land is developed with an aim of expanding greenery in and around the power plant, housing facilities and other utility areas. The land is developed

in the form of mini forest, gardens and even kitchen gardens.

- **Maintaining Quality of Soil-** RRECL, devotes time and money for maintaining the quality of soil by taking the following measures- Enhance organic matter, Avoid excessive tillage, Manage pests and nutrients efficiently, Prevent soil compaction, Keep the ground covered and Diversify cropping systems.

#### **Private Company – Suzlon Energy Ltd.**

The selected private power company, Suzlon has huge data to display on their website under CSR activities, especially related to environment sustainability. The company endorsed the CSR Mission in December, 2007 and launched Suzlon Foundation. The foundation was introduced purely to lead the organizations Corporate Social Responsibility initiatives. The company on their website announce that through their CSR initiatives they aims to bring positive impact and sustainable development in society.

Data available at [suzlonfoundation.org](http://suzlonfoundation.org) shows that enhancing natural capital is one among their major initiatives. They have Natural Resource Management Programs, key categories include-

- Soil and Water Conservation Program: Initiatives for improving availability of water supply and conservation of soil
- Increasing Green Cover: Plantation of trees and seed broadcasting on hills
- Conjunctive Land Use: Using the land around wind turbines for crop or fodder cultivation
- Initiatives to recycle waste
- With their past initiatives, they claim
- Tree plantation of 1.21 million trees and will continue to plant more trees every year
- Over 44 million tonnes of carbon dioxide emissions reduced every year owing to Suzlon's global wind energy installations
- Distributes manure prepared from recycled garden waste generated at the Suzlon Group headquarters in Pune
- Employees urged to use bicycles & carpooling to travel to work

The company works towards ensuring minimal impact on the environment and till date the following initiatives have had the positive impact to mention:

- 65,749 CuM water conserved
- 1.21 million Trees planted
- 170 tonnes grass grown
- Over 3,627 ha land treated for conservation
- 83,803 kg solid waste recycled

Through 26,000 MW wind energy installation globally and CSR initiatives, Suzlon aims to preserve as well as expand the green blanket cover. It is committed to contribute towards a sustainable ecosystem for the future.

Suzlon foundation simultaneously works for the welfare of society in 9 states of India. In Rajasthan they have 13 sites and 89 neighborhood villages.

ANNEXURE I

State	Suzlon Sites	Neighbourhood Villages
Seemandhra	2	17
Daman	1	7
Gujarat	10	126
Karnataka	7	73
Kerala	1	4
Maharashtra	13	88
Madhya Pradesh	4	28
Rajasthan	12	89
Tamil Nadu	13	118
Total	63	550

Source- [suzlonfoundation.org](http://suzlonfoundation.org)

The company seriously performing its CSR activities worldwide with a sustainable business strategy. As one the theirmajor initiatives, conjunction land use,

### Joint Initiative

Suzlon Foundation in collaboration with the Government of Rajasthan launched an initiative called the ‘JalKalyanKarayalRupasar’ in Pohra village near Jaisalmer to replenish ground water. The initiative involved construction of water-harvesting structure called ‘Anicut’ which will enable conservation of around 1 lakh cubic meter of water and will benefit nearly 300 families by improving access to water.

**Dr. Jasmine Sofia Gogia, General Manager, SuzlonFoundation, said,** “Suzlon Foundation works towards upliftment of remote villages in terms of making them self-reliant. Water sustainability is extremely vital and improving water efficiency results in higher productivity in farming, better livelihood and thus enhancing the ecological balance of the community. In Rajasthan, our water management programmes aims to enhance water and land resources in neighbourhood communities. We are pleased to collaborate with the state government for this initiative and look forward to their continued support.”

In September 2015Suzlon Group announced that it has completed the commissioning of 100.8 MW wind power turnkey project for CLP India, one of the largest foreign investors and one of the largest wind power developers in the Indian power sector. The project will provide electricity to over 50,000 homes and curb ~ 0.21 million tonnes of CO2 emissions annually.

**Mahesh Makhija, Director – Business Development (Renewables), CLP India said:** “Wind Energy is an integral part of CLP India’s business strategy and is expected to continue making a vital contribution not only to CLP’s growth plans for India but also to its commitment to reducing its CO2 emissions. With the successful commissioning of this project, we now have installed wind generation capacity of 874.2MW in India. Suzlon has been our trusted partner and we continue to rely on their innovative & reliable turbine technology to deliver expected life cycle value contribution to this project.”



The findings of the study have revealed that, the two companies whose data were analysed shows that both contributes immensely to the environmental protection by having a remarkably high level of green management initiatives. These efforts are in-line with the national policy of environment protection, thereby supporting the initiatives taken by the government of India. Both the energy producing companies have announced under its CSR policy and are bound by the legislation with regard to CSR investment.

Individually Suzlon is a power company with the promised vision of providing green and clean power to its community and consumers. The company generates power by utilizing renewable sources like wind energy. Though its efforts it to create clean power, the companies require large tracts of land for the establishment of a wind power network for the generation of electricity. Under its green initiatives Suzlon has embedded practices like, Soil and Water Conservation Program; Increasing Green Cover; Conjunctive Land Use and Initiatives to recycle waste. These practices come under a broad policy envisaging Natural Capital, which translates to Enhancing Natural Capital: Natural Resource Management Programs. Such green practices are naturally built up in the company's management and human resource development.

RRCEL which is a public sector undertaking of the government of Rajasthan has a number of green initiatives as a part of its policy not only to protect the environment but also to enhance green cover. The programs of RRCEL are divided into environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water. The company makes very effort to see that the policy initiative are implemented for the betterment of the community in general and also specific areas like soil quality management, protection of natural resources, water and air quality management.

Massive efforts are undertaken by the company to reclaim waste land to develop them into ecologically beneficial areas. These efforts of the company translates into acceptable green marketing initiatives which prove beneficial to its consumers at the individual level.

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